

## DIAMONDS AND THEIR BENEFITS TO AFRICA FACT SHEET

As one of Africa's major natural resources, diamonds are helping transform southern Africa and the lives of its people. Through diamonds, countries like Botswana, Namibia and South Africa have taken major steps to build a more prosperous future for themselves.

### **Diamonds transforming lives**

- World leaders have publicly recognised the value of diamonds for southern Africa:
  - Nelson Mandela: "The diamond industry is vital to the southern African economy" [17<sup>th</sup> November 1999]
  - Thabo Mbeki,: "We know that diamonds are a valued source of employment, foreign exchange, tax revenue, new investments and play a positive role in enhancing the overall economic well being of countries and local communities" [17<sup>th</sup> November 2004]
  - President Mogae of Botswana: "For our people, every diamond purchase represents food on the table; better living conditions; better healthcare; safe drinking water; more roads to connect our remote communities and much more" [7<sup>th</sup> June 2006]
  - President Mogae of Botswana: "We have prudently used the revenues from diamonds to build a modern nation and a vibrant economy" [7<sup>th</sup> June 2006]
  - President Mogae of Botswana: "It is thanks to diamonds...that we have seen our country transform from one of the poorest in the world at Independence, to the middle income status that it has now attained" [7<sup>th</sup> June 2006]
  - President Mogae of Botswana: "I urge you to continue supporting us by buying more and more diamonds because for us the joy of your celebrations with diamonds is also our joy" [7<sup>th</sup> June 2006]
  - President Mogae of Botswana: "There can be no doubt that diamonds have played a major part in the transformation of our country's fortunes and the lives of our citizens...Revenue from diamonds has enabled Government to fund virtually 100% of basic education, provide virtually free healthcare, build the infrastructure that has supported our economic activity and to fund 80% of the anti-retroviral drugs that have given hope to our fellow citizens living with HIV/AIDS" [13<sup>th</sup> November 2006]
  - President Mogae of Botswana: [He finds] "suggested existence of African conflict diamonds, as opposed to diamonds illicitly traded from this or that particular area of conflict, unsettling... diamond revenues have, for the most part, been a welcome source of finance for improved education, health care, and social services, not only in Botswana but elsewhere on the continent." [22<sup>nd</sup> August 2007]

## Financial

- The diamond trade contributes approximately US\$8.5 billion per year to Africa
- Approximately 65% of the world's diamonds are produced in African countries

### Botswana

- In Botswana, diamonds account for 80% of Botswana's export revenue, 45% of the government revenue, and 33% (approximately US\$3.3 billion) of the gross domestic product
- Botswana produces approximately US \$3.3 billion worth of diamonds a year
- Since independence in 1966 [diamonds were discovered in Botswana in 1967], Gross Domestic Product (GDP) growth rate has averaged 7%
- Debswana, a Botswana diamond mining company, invests more than P4 million [US\$764,701] in corporate social development projects annually
- Debswana is the largest corporate responsibility contributor to the socio-economic development of Botswana
- Over the past 25 years, Botswana has had one of the fastest growing economies in the world

### Namibia

- In Namibia, diamonds account for more than 45% of the country's export revenue, 7% of the government revenue and approximately 10% of the country's GDP
- Namibia produces approximately US\$0.9 billion worth of diamonds a year
- Namdeb, a Namibia diamond mining company, invests approximately N\$2 million [US\$296,386] in corporate social development projects annually
- Namdeb is the largest corporate responsibility contributor to the socio-economic development of Namibia

### South Africa

- South Africa produces approximately US\$1.5 billion worth of diamonds a year
- In South Africa, approximately R28 million [US\$4,148,419] has been invested in a wide range of corporate social development projects annually
- In Kimberley, South Africa, R50 million [US\$7,407,890] has been invested in transforming the mine into a tourism facility, creating jobs and business opportunities for the community
- In South Africa, the Namaqualand Diamond Fund Trust, which invests in community development projects, empowerment and sustainability initiatives received R33 million [US\$4,896,909] between March 2005 and March 2006 from the Trans Hex Group, a diamond exploration and mining company. The Fund has received a total of R255 million [US\$37,838,615] from the group since it started operating in 1994

### Angola

- Angola produces approximately US\$1.5 billion worth of diamonds a year

### Sierra Leone

- Sierra Leone exported more than US\$125 million diamonds in 2006

## Health

- Revenues from diamonds help fund the construction of hospitals, medical centres and hospices, ensuring that more than 5 million people have access to appropriate healthcare globally
- In 1999, more than US\$3 million was contributed by the diamond industry to a project fighting polio in Angola

## Tackling HIV/AIDS

- Each year, the diamond industry funds two African graduates studying for Masters Degrees in public health at the Bloomberg School of Public Health, USA
- The diamond industry supports organisations that provide counselling services and funds outreach projects aimed at changing teen sexual behaviour
- In 2004, Debswana and Namdeb received a commendation at the Global Business Coalition Business Excellence Awards for their workplace programs
- Since 1999, Jewelers for Children, a US-based charity, has raised more than US\$23 million in special programs to reach children orphaned or made vulnerable by HIV and AIDS

## Botswana

- Debswana is the first mining company in the world to offer free anti-retroviral treatment (ART) to HIV positive employees and their spouses as part of a comprehensive disease management programme outside of a medical insurance scheme, and has since extended treatment to the children of its employees
- Today, Debswana is registering fewer deaths as a result of AIDS-related conditions, following implementation of its ART programme
- Debswana responded to the first AIDS cases reported in 1988 and 1989 with education and awareness campaigns
- In 2003, Debswana entered into a partnership with the Ministry of Health to make its healthcare facilities available to the general public

## Namibia

- Namdeb has formed a strategic alliance with NABCOA (local business coalition), assuming a leadership role to assist companies and the public sector set up HIV/AIDS workplace programmes
- Namdeb is providing guidance on the development of national awareness programmes on the treatment of HIV and AIDS, and voluntary counselling and testing (VCT) as part of a think-tank in conjunction with the Ministry of Health and Social Services

## South Africa

- The diamond industry invested more than R3.5 million [US\$549,000] to 22 HIV/AIDS related initiatives in 2005
- The diamond industry and the Soul City: Institute for Health and Development Communication have announced a partnership worth R7.5 million [US\$1,096,523] over the next three years to promote health and development through the use of mass media

## Education and skills

### Botswana

- Due to the revenues generated by diamonds, every child in Botswana receives free schooling to the age of 13
- In 1966 before diamonds were discovered there were only three secondary schools in Botswana, now there are more than 300
- Debswana employs a number of teachers who work in local village schools
- Beyond primary school, education is 95% funded by the government

### Namibia

- In 2005, Namdeb helped purchase computers and software programmes valued at N\$165,750 [US\$24,574], to support the training of skilled artisans for the mining industry
- In 2005, Namdeb donated microscopes to the University of Namibia worth N\$78,000 [US\$11,564] to help address science skills shortages
- Namdeb established a Women's Action for Development office at a cost of N\$132,000 [US\$19,570]

### South Africa

- R8 million [more than US\$1.1 million] has been invested in the Rural Schools program in the Limpopo province and has secured matching funding in a partnership with the local Department of Education
- The Diamond Foundation for South Africa and the diamond industry have sponsored the training of more than 1,000 students in diamond cutting and polishing, helping to make employment accessible to those previously excluded from the diamond industry
- Funded by the diamond industry, the Superstones is a field band for 10-21 year-olds in Kimberley which has helped more than 320 children. The band helps the children build both musical and essential life skills, as well as keeping them occupied after school. Band members are educated about HIV/AIDS, information that they then pass on to their peers

## Employment

### Botswana

- Debswana employs 6,500 people – 96% of employees are from Botswana
- The diamond mining industry is the largest single employer in Botswana after the government
- 25% of employment in Botswana is directly or indirectly linked to diamonds

### Namibia

- The Namibian diamond industry employs 3,200 people
- The diamond mining industry is the largest single employer in Namibia after the government

### South Africa

- For decades the diamond industry has been one of the major industries in South Africa and currently employs about 28,000 people in mining, sorting, valuing, cutting, polishing, jewellery retail and jewelery manufacturing.

### **Empowerment**

- Economic empowerment is an integral part of South Africa's transformation process, encouraging the redistribution of wealth and opportunities to previously disadvantaged communities and individuals, including blacks, women and people with disabilities
- In April 2006, Ponahalo Holdings a broad based black economic empowerment (BEE) company bought a 26% equity interest in De Beers Consolidated Mines Limited.

### **Environment**

- The diamond industry has set aside nature reserves and has given land to the South African National Parks to help create a world heritage site
- Williamson diamond mine has a reforestation project that has already planted more than 80,000 trees
- Food & Trees for Africa has worked to help reduce poverty and improve the environment by planting 150 fruit trees and supporting activities to promote sustainable skills

### **Strengthening communities**

- The diamond industry has partnered with the Kuru Family of Organisations in Botswana, to design and develop two major community projects:
  - A community based natural resources management and heritage project
  - A major education initiative to support children
- Nearly 7,000 miles (10,000 km) of road now exist in Botswana compared to 6 miles (9 km) in 1966, before diamonds were first discovered, helping to connect communities across Botswana
- A countrywide digital telephone network in Botswana now exists with approximately 3,000 miles (5,000 km) of fibre optic cable
- In South Africa, the US-based charity, Jewelers for Children extended a sustainable model of childcare to an additional five sites in the Northern Cape

### **Preserving heritage**

- The diamond industry currently supports more than 100 arts, culture and heritage projects
- The diamond industry has supported two World Heritage sites; the Mapungubwe region and the Sterkfontein Caves

### **Building consumer confidence**

- More than 99% (99.8%) of diamonds are from conflict free sources through a UN mandated system (the Kimberley Process)

FOR MEDIA USE

**Additional sources of information**

Diamond Facts [www.diamondfacts.org](http://www.diamondfacts.org)

US Media Contact

866-490-8855

[usmedia@diamondfacts.org](mailto:usmedia@diamondfacts.org)

International Media Contact

44-207-878-3114

[intlmedia@diamondfacts.org](mailto:intlmedia@diamondfacts.org)